

**TESTIMONY**

Delivered by Todd D. Rose, President and CEO  
Visiting Nurse & Health Services of Connecticut, Inc.  
Chairperson of The Connecticut Association for Healthcare at Home

Before the Aging Committee  
March 4, 2014

**SUPPORT: SB244 AN ACT INCREASING HOME CARE PROVIDER RATES.**

Good morning Senator Ayala, Representative Serra and honorable members of the Aging Committee. My name is Todd Rose, President and CEO of Visiting Nurse & Health Services of Connecticut and Chair of The Connecticut Association for Healthcare at Home.

Visiting Nurse & Health Services of Connecticut is a Connecticut licensed/Medicare certified home health and hospice agency with an average daily patient census of over 870, serving more than 4,000 Connecticut residents each year.

We are a major employer in Hartford and Tolland County with over 260 employees dedicated to advancing the State's goals of Aging in Place and Money Follows the Person (MFP). Our caregivers and support staff provide high-tech and telehealth interventions for our communities adults and frail seniors. Today, with our investment in technology, we care for patients that could only be cared for in a hospital setting just a few years ago. The use of telehealth technology, advanced wound care techniques, Left Ventricular Assist Device (LVAD) bridge to transplant services and point of service electronic medical record capability are just a few examples of what make us a true mobile health center. As importantly, we provide these services at a fraction of the cost of the same services provided in a hospital or skilled nursing facility.

We are north central Connecticut's community-based safety net, ensuring that the chronic conditions of the frail elderly, disabled, and homebound are managed and their care coordinated across the healthcare continuum to avoid unnecessary and costly rehospitalization or institutional care.

Home health care is the cost effective means of delivering care, however, we have reached a critical juncture in terms of business survival.

Last year, as a cumulative result of over six years without a rate increase, Visiting Nurse & Health Services of Connecticut sustained over \$1.1 million in losses providing needed healthcare to over 500 Medicaid and state title program patients. This represents a loss of 43 cents on every dollar for the services we provide. To exacerbate the problem, we have just

received another cut to our Medicare reimbursement on January 1, 2014 which we estimate will reduce our reimbursement by a minimum of \$220,000 annually. This is in addition to the existing 2% sequestration reduction which for us totals an additional \$220,000 in reduced Medicare payments. The Centers for Medicare and Medicaid Services (CMS) issued a new rule that calls for additional cuts of 3.5% each year to 2017. Medicaid and state paid program losses and these additional cuts (rebasing) to home health care Medicare rates makes a sustainable business model impossible.

We will very soon be forced to make business decisions that will have a profound effect on access to healthcare for our frail and elderly population. For the survival of our agency we will be forced to contemplate the severe restriction or complete elimination of our participation in title programs such as the Connecticut Program for Elders which includes Money Follows the Person patients. This would result in severe access issues for over one hundred frail elderly patients and necessary reductions in workforce adding to the already burgeoning number of unemployed.

Considering the fact that home healthcare is best suited to achieve the triple aim of improving population health and patient outcomes while reducing the overall cost of care, it is unthinkable that we would not invest in and grow its future. By doing so, we will be in a position to care for the fast growing baby boomer generation sure to flood our healthcare system in the coming years. I ask you to consider who would take our place in the provision of home and community based care and how much it would cost the state to start from scratch.

We ask that the legislature invest in the future of the home health care provider sector in 2014 by establishing a Medicaid rate structure that covers the cost of care provided and adjusts appropriately in future years.

**Support An Increase in Home Health Agency Medicaid Reimbursement to:**

- **Ensure a Viable and Adequate CT Home Care Provider Network**
- **Avoid Disruption to Consumer Access to Home Care**
- **Enable DSS to Continue to Reap Cost Savings in the Medicaid Program, as Home-based Care is the Most Cost-effective Care Setting.**

Thank you.

## **Connecticut Medicaid Reimbursement Trends for Home Health Providers**

Over the 21-year period, home health providers have received 5 rate increases, however, NO increase within the past 9 years.

<b>1994</b>	<b>0</b>
<b>1995</b>	<b>0</b>
<b>1996</b>	<b>0</b>
<b>1997</b>	<b>0</b>
<i>1998</i>	<i>2.1%</i>
<b>1999</b>	<b>0</b>
<i>2000</i>	<i>2.0%</i>
<i>2001</i>	<i>2.0%</i>
<i>2002</i>	<i>1.5%</i>
<b>2003</b>	<b>0</b>
<b>2004</b>	<b>0</b>
<b>2005</b>	<b>0</b>
<b>2006</b>	<b>0</b>
<i>2007</i>	<i>4.0%</i>
<b>2008</b>	<b>0</b>
<b>2009</b>	<b>0</b>
<b>2010</b>	<b>0</b>
<b>2011</b>	<b>0</b>
<b>2012</b>	<b>0</b>
<b>2013</b>	<b>0</b>
<b>2014</b>	<b>0</b>